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SUBJECT: GEORGIA: FUNDING RESTORED TO OPPOSITION AND
PARLIAMENT CONSIDERS PRESIDENTIAL LIMITATIONS

¶1. (SBU) Summary/Comment: Parliament recently passed a law to restore funding to six opposition parties who refused to enter Parliament. The law envisages special foundation funding based on the German stiftung model that Secretary Rice suggested during an earlier visit to Tbilisi to aid party development. Parliament is also considering a draft law that would limit presidential powers by constraining the President's ability to dissolve Parliament and strengthen the parliamentary minority. Both represent positive steps toward continuing Georgia's democratic reform. End Summary/Comment.

¶2. (SBU) The restored funding is as follows - United Movement (GEL 2,040,185 directly from the state budget, GEL 106,000 from the foundation); Labor Party (GEL 497,338, GEL 106,000); Conservatives (GEL 354,748, GEL 106,000); Christian-Democratic Party (GEL 786,651, GEL 213,000); Industrialists (GEL 345,947, GEL 106,000); Republican Party (GEL 354,748, GEL 106,000); Georgian Troupe (GEL 109,607, GEL 23,000), On Our Own (GEL 116,807, GEL 23,000). The six parties whose funding have been restored are Georgia's Way; Party of People; Movemen for United Georgia; National Forum; and New Rights and Freedom, with each receiving GEL 102,407 from the budget and GEL 23,000 from the foundation. The new funding scheme represents a 35% decrease in funds for UNM which will be shifted to fund the special foundation.

¶3. (SBU) The special foundation that will oversee administration of the political party development funds will be composed of representatives from international and non-governmental organizations. Political parties will be able to use foundation funding for public opinion and other types of political research, as well as to cover the costs of business trips and training sessions for party activists.

¶4. (SBU) Parliament is considering a draft law to amend the constitution which will limit the right of the President to dissolve Parliament once in a five-year presidential term. Circumstances in which the President will be able to use the right remain unchanged: in the case Parliament fails to pass the state budget within three months or refuses to confirm a new cabinet after three attempts. If the President wishes to dissolve Parliament a second time, he needs to submit it to vote by national referendum. If the referendum is rejected, the rejection will trigger early Presidential elections. The draft also envisages giving the right to the Parliamentary minority to initiate procedures for the dismissal of a cabinet. The procedure requires that 30 MPs initiate the procedure. Once initiated, a majority vote will be enough to dismiss the cabinet. (Embassy Comment: If the changes pass, the short term practical effect will be minimal because of the overwhelming UNM majority in Parliament. However, if passed, the draft law would serve to strengthen Parliament in relation to the President and the minority vis-a-vis the majority, both of which are positive steps to establish more institutional checks and balances. End Comment.)

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